



City of Milwaukee

Meeting Minutes

MILWAUKEE HOUSING TRUST FUND OPERATIONAL CRITERIA SUBCOMMITTEE

BETHANY SANCHEZ, CHAIR

Tom Capp, Vice-Chair

Heather Dummer Combs, Rocky Marcoux, Tony Perez and Brian Peters

Staff Assistant, Linda Elmer, (414)-286-2232

Fax: 286-3456; E-mail: lelmer@milwaukee.gov

File Specialist, Charlotte Rodriguez, 286-8797; E-mail: crodri@milwaukee.gov

Thursday, March 30, 2006

9:00 AM

Room 301-A, City Hall

Meeting convened: 9:05 A.M.

Members present: Bethany Sanchez, Tom Capp, Brian Peters and Una Van Duvall - designee of Mr. Marcoux

Members excused: Bobbi Marsell - designee of Tony Perez and Heather Dummer Combs

Also present: Jared Erdman - Ald. Murphy's office, Jeff Osterman and Emma Stamps - Legislative Reference Bureau, Judy Allen - Dept. of City Development

(meeting moved the day of the meeting to 301-A as it became available).

1. Selection of a Vice-Chair

Mr. Peters nominated Mr. Capp. Ms. Van Duvall seconded that nomination. There were no objections.

2. Review and approval of the minutes of the March 16th meeting

Mr. Peters wanted to correct the minutes - in the discussion at the last meeting, the Subcommittee talked about how long-term housing should be kept affordable. He wanted to make that clear in the 7th paragraph of section 2 (Discussion of selection of eligible recipients of Housing Trust Fund dollars) and to clarify that homeownership and the forgivable terms are long term. This paragraph should also refer to pre-development dollars.

Ms. Sanchez noted in the third paragraph of that section, the second sentence of that paragraph should read, "This would fund the training and operations of non-profit organizations and developers who would access these funds for developing affordable housing."

Two paragraphs down, related to Mr. Werra, the projects funded by the trust fund would be hybrids, not the fund itself. Ms. Van Duvall thought this needed to be clarified, but not changed in the minutes.

In the 8th paragraph, the final sentence should note that this text refers to the NIP program.

In the second-to-last paragraph in that section, the comment by Ms. Dummer Combs should be amended to note that the homeownership/housing level would be at 80%.

Mr. Peters moved to accept the minutes as amended. Ms. Van Duvall seconded. There were no objections.

Ms. Sanchez would hope that the homeownership level would serve 80%. Mr. Capp stated that many of the inclusionary levels for affordable housing across the country are using 80% and 100% because homeownership is becoming unaffordable to people at the 80%, 100% and 120% level.

3. Administration of a housing trust fund

Ms. Sanchez said that there are a couple of issues under this section - what body should administer the fund and the existence of an advisory committee for the fund, as well as the creation of an annual or 3-year plan to guide the work to respond to changing needs. Mr. Capp feels that another issue is whether or not a separate body is created to ensure compliance or is it the same body? Ms. Van Duvall noted that if it is tied to existing city programs, compliance requirements would already be in place. The Subcommittee also discussed the creation or use of a non-profit, rather than a city agency. Ms. Allen will research the pros and cons of funneling trust funds through a non-profit agency. Ms. Sanchez noted that if the recipients are limited to one group of individuals, that might also affected how a fund is administered. Mr. Capp would like Ms. Allen to also research how compliance would work.

Ms. Sanchez will speak to Mary Brooks at the Center for Community Change related to what successes and pitfalls she has seen in the administration of housing trust funds. She will ask about the various type of administration for the various types of uses.

4. Funding allocation among eligible recipients

Ms. Sanchez sees the breakdown as the percentage of each use and a who/what/how breakdown within each use.

Mr. Capp said that it is difficult for many programs to target individuals lower than 50% and he is wondering if the trust fund is targeted at addressing these gaps, either those not served by the city or by a private agency. Ms. Van Duvall stated that she believes there are programs that successfully serve those individuals below 60%, but a gap does exist at 60%. Mr. Capp noted that there are not 2 levels of tax credits - one at 50% and one at 60%, as was asked at the last meeting. The majority of units being developed by private developers are being targeted at the 50% and 60% level.

Ms. Elmer will ask Mr. Greenlee of the Wisconsin Housing and Economic Development Association to provide the Subcommittee with data, for the last 3 years, of the number of units created by the use of 4% tax credits in the city and a breakdown of income targets for each of those units and those served. She will also request information on those developments which did not receive tax credits for the past 3 years to help pinpoint existing gaps that are not currently being met.

Mr. Capp believes that developers moved from the 30%-40% to the 50%-60% level as it became more difficult to do quality projects based upon increasing construction costs. The 30%-40% level is commonly called "deeper targeting". The housing trust fund could

be used to fund gaps created by the addition of units at the 30% and 40% level.

Mr. Peters strongly encouraged the fund to serve those individuals at the 30%-40% based upon the heavy burden faced by them for housing.

Ms. Sanchez will speak to some non-profit developers and Mr. Capp will speak to some for-profit developers related to gaps that they see that are not being currently met.

Ms. Van Duvall will bring individuals from the Department of City Development who daily work with housing issues. Ms. Elmer will request that Mr. Greenlee attend the next meeting.

Mr. Werra could not attend this meeting, but it is anticipated he will be at the next meeting. Ms. Elmer will contact Sup. Dimitrivich about having someone from the county attend related to single room occupancies or licensing.

At the next meeting, the Subcommittee needs to line up the priorities, identify the gaps and decide on eligible recipients.

Ms. Van Duvall feels that the Subcommittee should create a list of prioritized strategies based upon the amount of money available to address the areas of greatest needs first, then work down to lesser needs.

Ms. Sanchez asks that members and staff review the San Diego document for its funding levels (Exhibit 1). She noted that the term of the loan is set at 55 years, so she believes that the affordability length is probably 55 years as well. Mr. Capp noted that the length of affordability is a contentious issue with many sides. Mr. Capp noted that affordable housing degraded faster if it had a longer affordability length. Ms. Sanchez thought the degradation might be offset by not having to subsidize another unit, so that money that would have had to go to development could go to rehabilitation. Mr. Capp will try to locate some studies that look at the issue of degradation of affordable housing stock and Ms. Sanchez will also ask this question of San Diego and Ms. Brooks. Mr. Capp found the San Diego model very useful, but questioned if a market could be found that is more analagous to Milwaukee.

Ms. Sanchez liked that a little money was set aside in San Diego for projects that didn't quite fit a specific category, but which were good projects to fund.

Mr. Peters had heard that banks and lenders prefer to fund larger, rather than smaller projects, which might be a problem for Milwaukee.

5. Set next meeting date and agenda

Ms. Van Duvall would like to have breakdowns on the agenda such as a), b) and c) to center the discussion.

Mr. Peters would like to have universal design and visitability added to the next agenda for discussion purposes. He would like that this be required in all new units. The Housing Authority has a nice Powerpoint presentation on its web site related to this topic. The address is www.hacn.org (lower right-hand corner of the screen). Members will look at it in their offices. He passed around 3 handouts for members to review prior to the meeting:

Builder Exec affirms low cost of Visitability (Exhibit 2)

Construction Guidelines for Visitable Homes (Exhibit 3)
Universal Design (Exhibit 4)

Ms. Sanchez asked that members look at the document titled, "FAQs for housing trust funds" and think of the possibility of assigning extra points once someone has reached the threshold criteria for DBE contractors, leveraging, diversity of neighborhoods, green buildings, etc.

The next meeting date will be Thursday, April 13th at 9 a.m.

Meeting adjourned: 10:21 A.M.